

105TH CONGRESS
2D SESSION

H. R. 3376

To amend the Internal Revenue Code of 1986 to allow a credit against income tax to taxpayers who use certain clean-burning fuels as a motor vehicle fuel.

IN THE HOUSE OF REPRESENTATIVES

MARCH 5, 1998

Mr. ENSIGN introduced the following bill; which was referred to the
Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to allow a credit against income tax to taxpayers who use certain clean-burning fuels as a motor vehicle fuel.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Clean Burning Fuels
5 Incentive Act of 1998”.

6 **SEC. 2. CREDIT FOR USE OF CLEAN BURNING FUELS AS**
7 **MOTOR VEHICLE FUEL.**

8 (a) IN GENERAL.—Subpart B of part IV of sub-
9 chapter A of chapter 1 of the Internal Revenue Code of

1 1986 (relating to foreign tax credit, etc.) is amended by
 2 inserting after section 27 the following new section:

3 **“SEC. 28. CREDIT FOR USE OF CLEAN BURNING FUELS AS**
 4 **MOTOR VEHICLE FUEL.**

5 “(a) ALLOWANCE OF CREDIT.—There shall be al-
 6 lowed as a credit against the tax imposed by this chapter
 7 for the taxable year an amount equal to 50 cents for each
 8 gasoline gallon equivalent of clean burning fuel used by
 9 the taxpayer during the taxable year as a fuel to propel
 10 any qualified motor vehicle.

11 “(b) DEFINITIONS.—For purposes of this section—

12 “(1) CLEAN BURNING FUEL.—The term ‘clean
 13 burning fuel’ means natural gas, compressed natural
 14 gas, liquefied natural gas, liquefied petroleum gas,
 15 and any liquid at least 85 percent of which consists
 16 of methanol.

17 “(2) GASOLINE GALLON EQUIVALENT.—The
 18 term ‘gasoline gallon equivalent’ means, with respect
 19 to any clean burning fuel, the amount (determined
 20 by the Secretary) of such fuel having a Btu content
 21 of 114,000.

22 “(3) QUALIFIED MOTOR VEHICLE.—

23 “(A) IN GENERAL.—The term ‘qualified
 24 motor vehicle’ means any motor vehicle (as de-
 25 fined in section 179A(e)) which meets any ap-

1 plicable Federal or State emissions standards
2 with respect to each fuel by which such vehicle
3 is designed to be propelled.

4 “(B) EXCEPTION.—Such term shall not in-
5 clude any vehicle which is placed in service on
6 or before December 31, 1997, if such vehicle
7 was capable of being propelled by a clean burn-
8 ing fuel at any time before such date.

9 “(c) SPECIAL RULES.—

10 “(1) APPLICATION WITH OTHER CREDITS.—
11 The credit allowed by subsection (a) for any taxable
12 year shall not exceed the excess (if any) of—

13 “(A) the regular tax for the taxable year
14 reduced by the sum of the credits allowable
15 under subpart A and section 27, over

16 “(B) the tentative minimum tax for the
17 taxable year.

18 “(2) DISALLOWANCE OF DEDUCTION.—Any de-
19 duction allowable under this chapter for fuel taken
20 into account in computing the amount of the credit
21 determined under subsection (a) shall be reduced by
22 the amount of such credit attributable to such fuel.

23 “(3) ELECTION TO HAVE CREDIT NOT APPLY.—

1 “(A) IN GENERAL.—A taxpayer may elect
2 to have this section not apply for any taxable
3 year.

4 “(B) TIME FOR MAKING ELECTION.—An
5 election under subparagraph (A) for any tax-
6 able year may be made (or revoked) at any time
7 before the expiration of the 3-year period begin-
8 ning on the last date prescribed by law for fil-
9 ing the return for such taxable year (deter-
10 mined without regard to extensions).

11 “(d) TERMINATION.—This section shall not apply to
12 any fuel used after December 31, 2004.”.

13 (b) CONFORMING AMENDMENTS.—

14 (1) Subparagraph (A) of section 29(b)(6) of
15 such Code is amended by striking “section 27” and
16 inserting “sections 27 and 28”.

17 (2) Subparagraph (A) of section 30(b)(3) of
18 such Code is amended by striking “sections 27 and
19 29” and inserting “sections 27, 28, and 29”.

20 (3) The table of sections for subpart B of part
21 IV of subchapter A of chapter 1 of such Code is
22 amended by inserting after the item relating to sec-
23 tion 27 the following new item:

 “Sec. 28. Credit for use of clean burning fuels as motor vehicle
 fuel.”.

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to fuel used after December 31,
3 1997, in taxable years ending after such date.

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